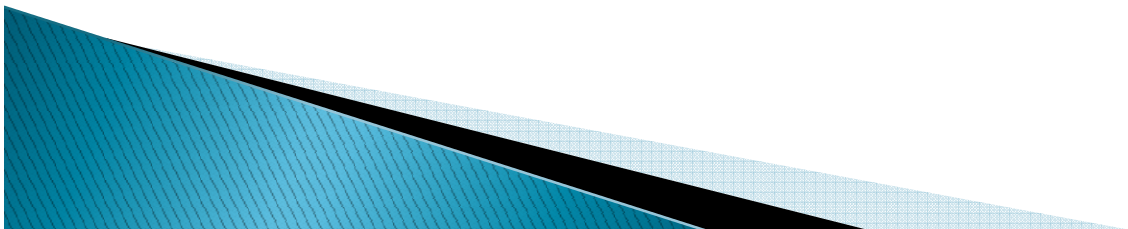


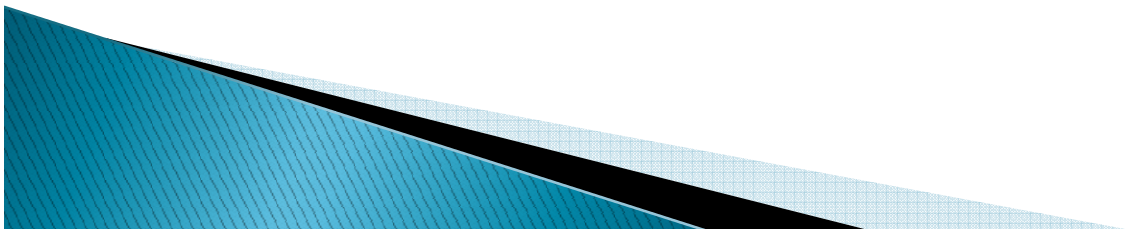
Best Value Public Works Procurement

May 13, 2010



Existing Alternatives

- ▶ Design – Bid – Build
- ▶ General Contractor/
Construction Manager (GC/CM)
- ▶ Design – Build
- ▶ Job Order Contracting



Room for Improvement?

JLARC Recommendations (2005)

▶ Finding 1:

- Some agencies may be using GC/CM to overcome deficiencies in the Design-Bid-Build contracting method.

▶ Recommendation 1:

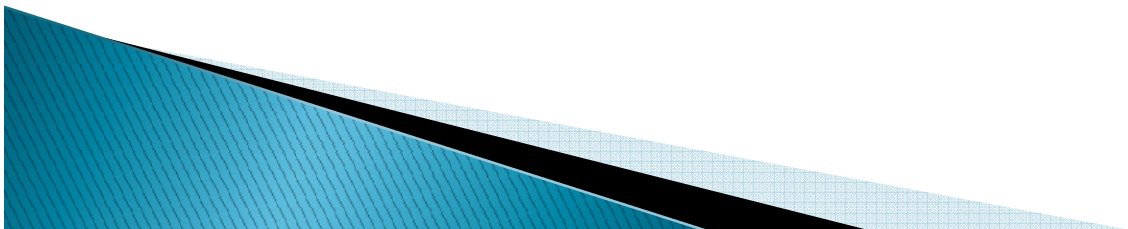
- The Legislature, through CPARB, should further analyze the implications of the low-bid requirement on capital construction projects.



Similar Trends Nationally

Federal Executive Order (1994)
establishing Best Value Procurement

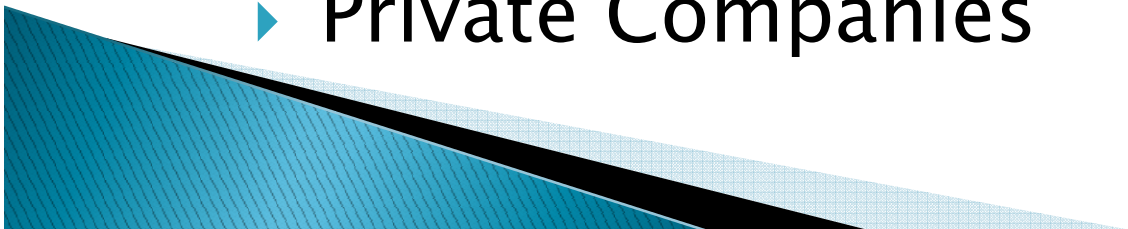
“Place more emphasis on past contractor performance and promote best value rather than simply low cost in selecting sources for supplies and services.”



Similar Trends Nationally

Who is using Best Value Procurement?

- ▶ Federal Government
- ▶ Several States
 - Massachusetts
 - California
 - Florida
 - Texas
 - Minnesota
 - And others
- ▶ Universities
- ▶ Private Companies



What is a “Best Value Procurement?”

▶ Seeking Value

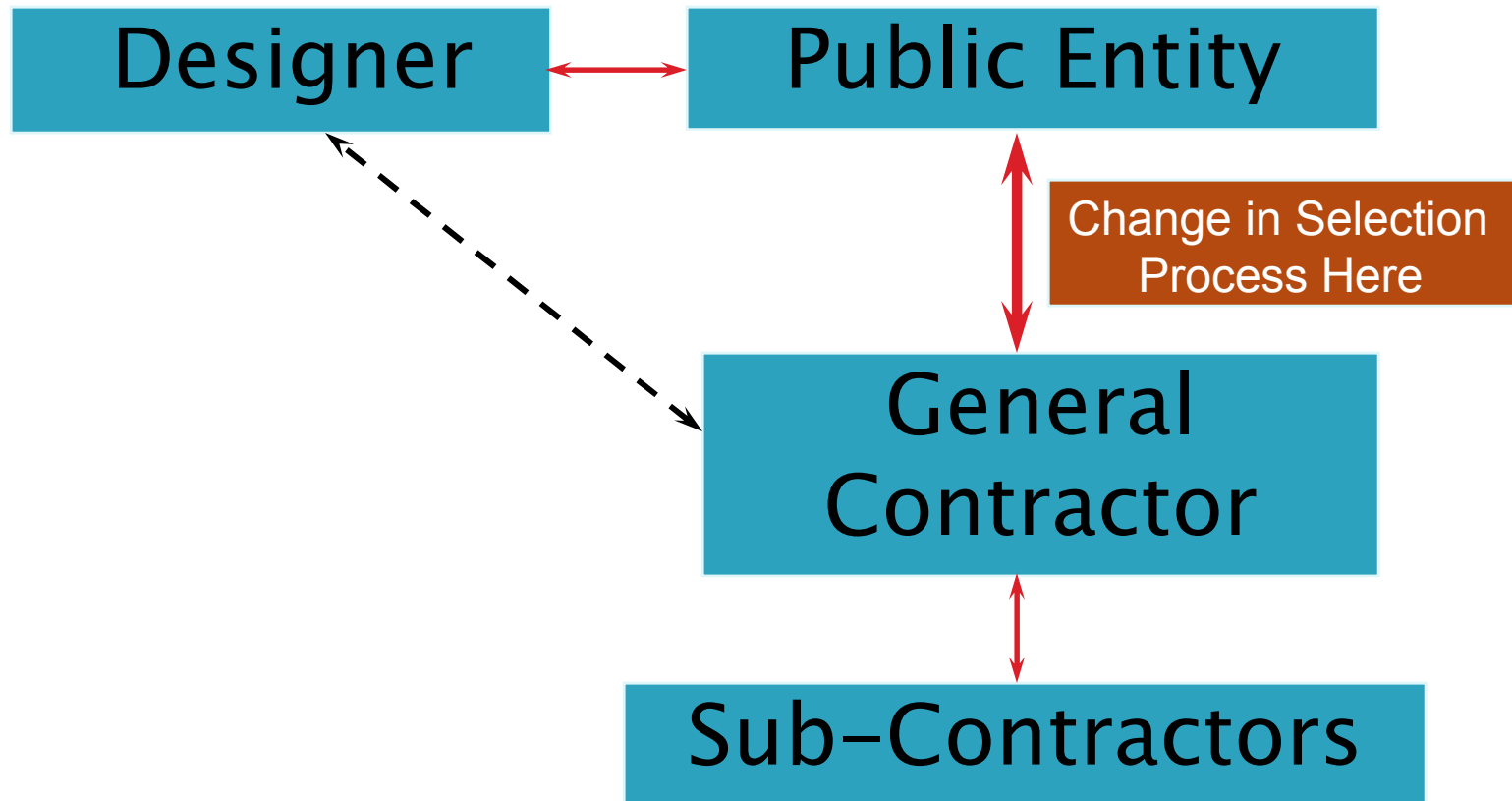
- Seeks to choose the provider offering the best combination of performance, qualifications, and price.

▶ Honoring the Public Trust

- Construction procurement should be consistent, open, competitive, and free of political influence.

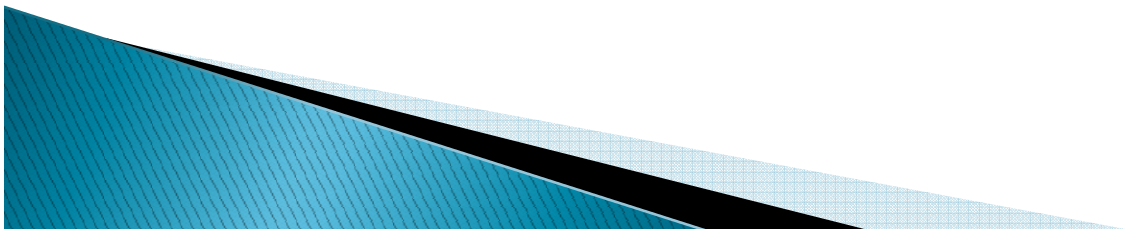


Modifies Design-Bid-Build Model



Desired Results

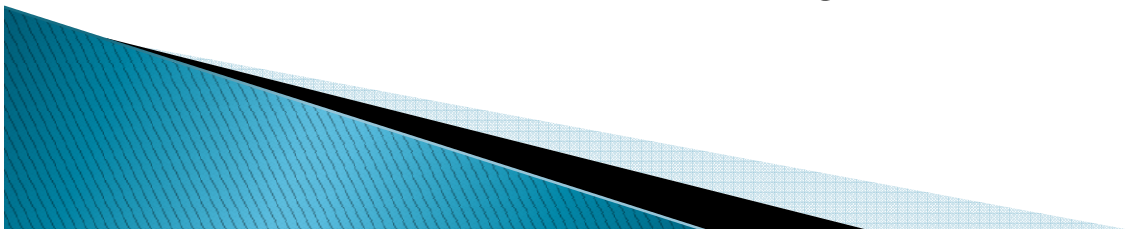
- ▶ Better achieve project goals
 - Budget
 - Schedule
 - Quality
- ▶ Lower the risk of construction claims
- ▶ Increase management efficiency



CPARB Task Force Recommendations

Recommend Pilot BV Projects

- ▶ Restrict to agencies that have completed at least one alternative PW project in the last five years.
- ▶ Projects would be approved by the PRC.
- ▶ A maximum of 20 projects.
- ▶ No dollar/project size restrictions.



CPARB Task Force

Recommendations (cont.)

Project Criteria:

- ▶ The project involves construction with a high risk of cost or operational impacts or requires a contractor highly skilled with the installation of a specific system.
- ▶ Implementation of the project requires specialized high level contractor management skills during construction.
- ▶ The project has a high potential to benefit from the value added by specialized construction management.

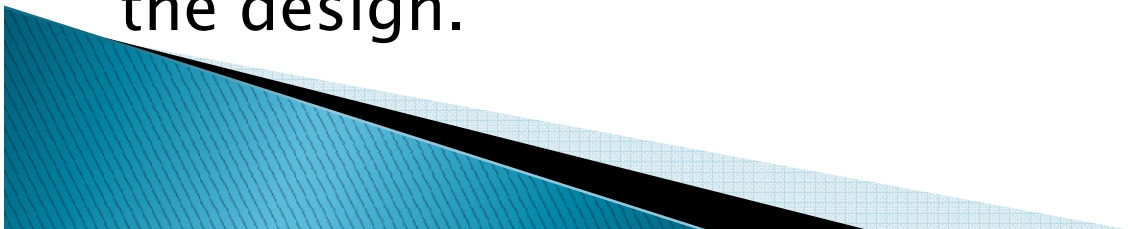


CPARB Task Force Recommendations (cont.)

Contractor Selection Criteria:

- Contractor's Experience
- Contractor's Qualifications
- Contractor's Past Performance
- Contractor's Proposed Project Enhancements/Value Added
- Contractor's Price

Project Enhancements would not change the basis of the design.



CPARB Task Force

Recommendations (cont.)

Contractor Selection Process:

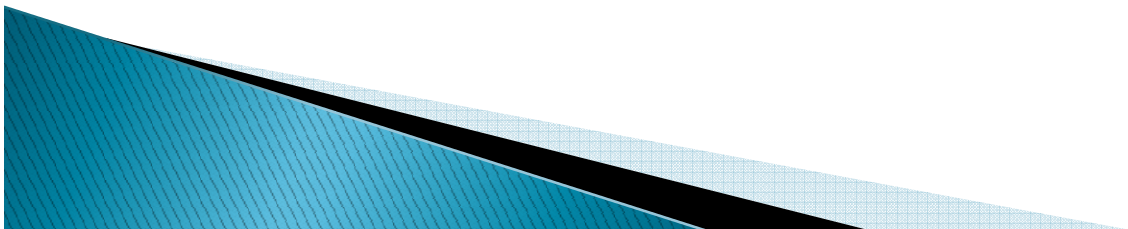
- Owner will advertise and hold a public hearing toward the end of design to allow for comments on the contractor selection criteria and the selection process.
- The selection process will be defined in the bid documents.
- Owner will appoint a committee to evaluate the contractor's proposals.



CPARB Task Force Recommendations (cont.)

Data Collection:

- ▶ Agencies participating in the BV Pilot Program will be required to submit project information to CPARB in order to evaluate the effectiveness of the process.

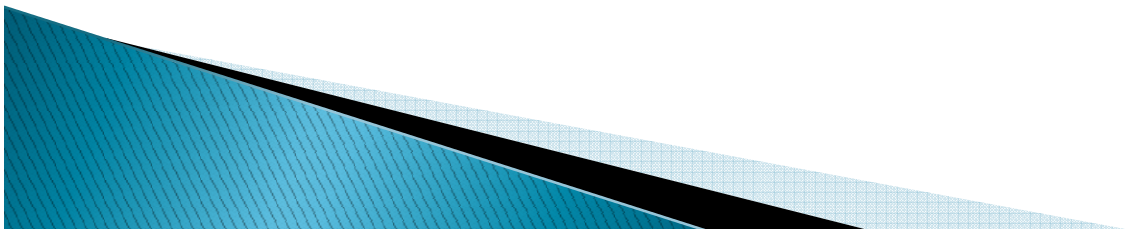


CPARB Task Force Recommendations (cont.)

Next Steps:

- ▶ With CPARB approval, prepare draft legislation for the 2011 Legislative Session.

(The BV Pilot Program will be part of RCW 39.10 and will sunset July 1, 2013.)



Questions?

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